

STATE TAX COMMISSION OF MISSOURI ASSESSOR MANUAL

CHAPTER:

SUBSIDIZED HOUSING

REVISION DATE: 7/14/2015 Page 1 of 3

7.10 SUBSIDIZED HOUSING

An income approach shall be used to value property with rent limitations or other requirements or restrictions set by the federal or state government. The properties include:

- 1. Income tax credit properties under Section 42 of the Internal Revenue Code;
- 2. Properties constructed under HUD programs;
- 3. Properties constructed with US Department of Ag Rural Development incentives; and
- 4. Other state or federal subsidies for housing programs.

Income Approach for Subsidized Housing Properties:

Actual income of the property minus actual expenses = Net operating income (NOI)

NOI divided by "appropriate capitalization rate" = Indication of Value

Appropriate capitalization rate is not to exceed the average of the current market data available in the county of said parcel of property.

STATE TAX COMMISSION OF MISSOURI ASSESSOR MANUAL

\sim	ТΤ	٨	D	ГΤ	71	•	
١.	п	н	. Р	ΙГ	٦.	•	7

SUBSIDIZED HOUSING

REVISION DATE: 7/14/2015 Page 2 of 3

Subsidized Housing Worksheet

	2012	2013	2014
Potential Income Last 3			
years			
Rental Income			
# units x monthly rent			
# units x monthly rent			
Rental Subsidy			
Laundry/Vending/Other			
Potential Gross Income			
Less: Actual Vacancy &			
Collection			
Effective Gross Income *			
Expenses			
Maintenance & Repair			
Utilities			
Administrative			
Insurance			
Reserve for Replacement			
Total Expenses			
Net Operating Income			
Capitalization			
Average Market Rate			
Effective Tax Rate			
Overall Capitalization Rate *			
Indication of Value			

Enter each year's information in the gray cells for form to auto-calculate.

* Requires data entered in prior rows to be greater than zero

STATE TAX COMMISSION OF MISSOURI ASSESSOR MANUAL

CHAPTER:

SUBSIDIZED HOUSING

REVISION DATE: 7/14/2015 Page 3 of 3